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SECRETARY-GENERAL'S BULLETIN

To: Members of the staff

Subject: ESTABLISHMENT AND OPERATION OF THE CENTRAL EMERGENCY REVOLVING FUND

1. The Central Emergency Revolving Fund (CERF) has been established by the Secretary-General under his authority in accordance with General Assembly resolution 46/182 of 19 December 1991. As noted in section IV (a) of the annex to that resolution, CERF is designed as a cash-flow mechanism to ensure the rapid and coordinated response of the organizations of the United Nations system to requests for emergency assistance.

2. CERF, which has a target level of $50 million, is to be financed by voluntary contributions, and is to be used to make advances to operational organizations and entities of the system. These advances will be reimbursed to CERF as a first charge against the voluntary contributions received in response to consolidated appeals.

3. CERF will be administered in accordance with the Financial Regulations and Rules of the United Nations as a Special Account. The administration of the Financial Regulations and Rules is the responsibility of the Under-Secretary-General for Administration and Management, on behalf of the Secretary-General.

4. CERF will be managed, under the authority of the Secretary-General, by the Under-Secretary-General for Humanitarian Affairs, who shall act as Emergency Relief Coordinator. Spending authority has been delegated to the Coordinator, in order to ensure that prompt responses can be made in emergency situations. To that end, the Coordinator will consult with the operational organizations concerned.

Resources of CERF

5. The resources of CERF shall consist of voluntary contributions received in response to an appeal made by the Secretary-General in the first quarter of 1992. Contributions in excess of the target level will be accepted.

6. The resources of CERF shall be held in the custody of the Secretary-General. Available balances shall be invested in interest-earning accounts, with due regard to the need for a high degree of liquidity in CERF. Any interest earned shall be added to the resources of CERF.

Advances from CERF

7. The resources of CERF may be used only for advances to United Nations organizations and entities in order to expedite their responses to requests for emergency assistance. These entities specifically include organizational units within the Department of Humanitarian Affairs. Utilization of the resources of CERF is intended to be complementary to the efforts of the bodies directly concerned.

8. The Coordinator shall be responsible for determining the amount to be advanced from CERF in each situation. The Coordinator may, at his/her discretion, make advances up to the total amount of cash available in CERF.

9. The utilization of the resources advanced to the operational organizations and entities will be entrusted to the latter in accordance with the terms of:

(a) A formal exchange of letters between the Coordinator and the operational organization(s), or

(b) A Letter of Instruction to the responsible official(s) of organizational units of the United Nations.

10. Each formal exchange of letters or Letter of Instruction shall:

(a) Define the purpose and objectives of the programme or project for which the advance shall be made and the means by which they are to be achieved;

(b) Specify the conditions which are to govern the financing and implementation of the programme or project;

(c) Specify the amount of moneys to be made available from CERF, the currency in which it will be paid and, when applicable, the purposes for which it is to be used;

(d) Provide that the advance shall be repaid as a first charge on contributions received by the operational organization in respect of the programme or project, in order to replenish CERF;

(e) Indicate a target date by which the advance is expected to be repaid;

(f) Provide further that, should sufficient contributions not be received by the operational organization within a period of one year, the provisions outlined in paragraph 16 would apply;

(g) Specify the financial reporting required to be made by the operational organization in respect of the programme or project assisted by the advance.

11. The Coordinator shall transmit the exchange of letters or Letter of Instruction to the Controller, who will effect the transfer of moneys to the operational organization or entity.

12. In exceptional circumstances involving particularly urgent emergencies, the Coordinator may authorize extraordinary advances prior to the determination of the conditions outlined in paragraph 10. Any extraordinary advance must be followed within 30 days by the completion of a formal exchange of letters or Letter of Instruction; otherwise, the advance shall become immediately due and repayable by the operational organization.

Reimbursements to CERF

13. As provided in paragraph 10 (d), reimbursements to CERF by the operational organization shall be a first charge on contributions received in respect of the programme or project to which the advance relates.

14. If, in the view of the Coordinator, the response to the emergency situation would be adversely affected by the application of the reimbursement provision contained in paragraph 13, the advance may be extended under the same terms and conditions, provided that the Coordinator is satisfied that firm pledges have been made in respect of the programme or project, in an amount sufficient to cover the amount advanced.

15. If, notwithstanding the completion of a formal exchange of letters or Letter of Instruction, the operational organization has not been successful in obtaining pledges sufficient to cover the amount advanced, reimbursements to CERF will be delayed until such time as contributions in the necessary amount have been received.

16. If an operational organization has failed to reimburse CERF within one year of the date of the advance, the Coordinator will be required to initiate measures to restore the balance of CERF. To this end, the Coordinator may:

(a) Utilize such balances of CERF, including accumulated interest, as may exceed the target level of $50 million;

(b) Appeal to donors to make specific contributions to CERF to cover the amounts advanced;

(c) Require the operational organization to repay the balance of the advance from its own resources.

17. The Coordinator will be required to obtain full reimbursement to CERF in respect of any outstanding advance within two years of the date of the advance.

Accounting and audit

18. In accordance with the Financial Regulations and Rules of the United Nations, the accounts of CERF will be maintained by the Controller and included in the financial reports of the United Nations. They will be subject to audit by the Internal Audit Division and the United Nations Board of Auditors.

Reporting

19. In addition to the financial reporting outlined in paragraph 18, the Secretary-General shall report annually to the General Assembly on the use made of the Central Emergency Revolving Fund.

Provision for review

20. In accordance with paragraph 26 of the annex to General Assembly resolution 46/182, the operation of CERF shall be reviewed after two years.

Boutros BOUTROS-GHALI
Secretary-General